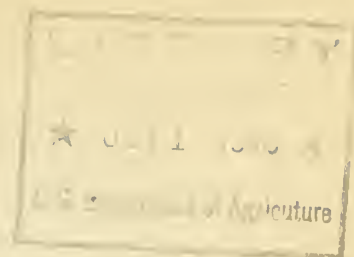


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JERSEY HOMESTEADS, NEW JERSEY



Jersey Homesteads is a subsistence homestead community located near Hightstown, New Jersey. The following is a summary statement of its development up to March 1940.

In the fall of 1933 the newly-formed Division of Subsistence Homesteads of the Department of the Interior received a formal application from the Provisional Commission for the Establishment of Jewish Farm Settlements in the United States, for help in the development of a subsistence homestead community which would provide adequate homes, gardens, and a means of livelihood for the families of 200 needle workers. These families were to be selected from the needle work trades of New York and Philadelphia; and the community was to be located in the farming area of New Jersey.

The development of a new community with employment opportunities for needle trade workers was urgently needed, because unemployment in this industry was acute. Moreover, the housing conditions of many of the low-income needle workers living in metropolitan New York and Philadelphia were far below standard. The Provisional Commission urged that a chance for fresh air, sunshine and other benefits of rural life, together with an opportunity for employment in some small industry and the cultivation of a small tract of garden land, would be a great aid to these families.

The plan submitted to the Government suggested that a garment factory be developed in the community. The construction of small factories in such communities was in line with the idea of "decentralization of industry" advocated by many leading industrialists who felt that the concentration of industrial development in huge cities was unwise.

It was pointed out, too, that the summer months constitute the slack period in the needle trade industry, and that this would give the families on the new development a chance for gardening. It was also brought out that the families were skilled in this type of work, and that it is quite possible in many lines of the needle trades for employees to continue working up to sixty or sixty-five years of age. In addition to the garment factory, a dairy and a chicken enterprise were suggested.

To finance the development of the community, the sponsors proposed that each family invest \$500 toward the operating expenses of the corporation which would operate the various enterprises. The rest of the necessary funds were to be borrowed from the Division of Subsistence Homesteads.

Development of Jersey Homesteads was approved by the Division of Subsistence Homesteads on December 2, 1933. The statement of the objectives of the community was as follows: to demonstrate the feasibility of decentralizing an industry which for years has been concentrated in congested areas of large cities, amidst slum living conditions and sweat shop working conditions; to demonstrate the merits of combining farming with work in a predominantly seasonal industry and one which is subject to the dictates of fashion; to conduct an experiment in cooperative working and living.

Building the Town

The original development of Jersey Homesteads began under a Delaware Corporation known as Jersey Homesteads, Inc., a subsidiary of the Federal Subsistence Homesteads Corporation which had been set up for administrative purposes by the Division of Subsistence Homesteads. It was later found necessary to bring all the developmental activities directly under the control of the Secretary of the Interior, and as a result the corporation was dissolved. Development of the community was transferred, along with other projects, from the Division of Subsistence Homesteads to the Resettlement Administration by Executive Order 7041, dated May 15, 1935. The Resettlement Administration maintained Jersey Homesteads until September 1937, when its successor, the Farm Security Administration, took over responsibility for the community.

Construction operations at Jersey Homesteads started early in 1935. As a site for the new town, 1,278 acres of gently rolling land had been purchased in Monmouth County, Millstone Township, approximately five miles east of the city of Hightstown, New Jersey, and roughly halfway between New York and Philadelphia.

The town was laid out in the shape of a horseshoe with the school building in the center. A garment factory, poultry buildings, and modern water and sewerage plants were located on the project. The homesteads, and their adjoining garages, were arranged on half-acre plots. Six buildings which were located on the land at the time of purchase were remodeled and made suitable for occupancy.

At first it was planned to build the walls of the homes with concrete slabs and a temporary slab plant was erected for this purpose. When it was discovered that the patent rights to the concrete slabs were not clear, and certain technical difficulties developed, this method was abandoned and concrete and cinder block construction was substituted.

Most of the 200 new homes are one story in height, although a few are two stories. There are 61 two-bedroom houses, 119 three-bedroom houses, and 20 four-bedroom houses. Each home has hardwood floors, a kitchen with built-in cabinets, refrigerator, and gas stove, a floor covering of composition block, and modern bathroom. The houses are individually heated by an oil furnace through a hot air system. Electricity and gas are supplied by local companies.

at prevailing rates.

The total cost of constructing Jersey Homesteads was \$3,260,201. Of this amount, \$2,162,717 was spent in building the houses and buying and improving the land. Other items included in the total cost were \$337,727 for community buildings, \$384,992 for utilities, and \$212,676 for streets.

A large part of the funds used in building Jersey Homesteads was spent for labor, since one of the primary purposes of constructing the new community was to relieve unemployment. In all, more than \$1,964,546 went for labor, and at the peak of employment 1,642 workers were on the payroll. The cost of labor and materials used in erecting the 200 homes averaged \$6,714 per unit.

In addition, there were other unusual expenditures at Jersey Homesteads. Schools and other community facilities, the costs of which are usually carried by the local government and property holders, added to the initial development costs for the new community.

Economic Development

While several changes in plans have been made from time to time since the community was occupied in the summer of 1936, the original idea for operating Jersey Homesteads has in general been carried out. Families in the community today raise a large part of their food supply in their own gardens. Cash income is derived from work in the factory, from operation of the 600-acre farm, the poultry and dairy enterprises, and from employment in the various trades and industries of nearby towns.

The greatest changes of policy have occurred in the plan for operating the factory.

The factory building was completed shortly after the project was occupied, and leased to the Workers Aim Cooperative Association, composed of homesteaders who used their own capital to equip the factory and to maintain its early operations. During this period, sales were made by the association to the public through the usual channels of trade.

In December 1936, a loan of \$50,000 was made by the Government to the cooperative organization. In July 1937, the association entered into an agreement with an agent for the distribution of the factory's products, whereby the products would go to the public through consumer cooperative organizations.

During 1938, the Jersey Homesteads Industrial Cooperative Association was established to take over the operation of the garment factory. The new association had the same membership as the old and

assumed its obligations. A loan of \$150,000 was made the Jersey Homesteads Industrial Cooperative Association in June, 1938; and management and direction was placed in a management corporation, composed of leaders of various consumer cooperative organizations throughout the United States, which it was hoped might distribute sufficient apparel to keep the factory busy. It later became evident that the cooperatives had not developed facilities to dispose of enough of this type of merchandise to keep the factory operating on a profitable basis. This, coupled with the hazards of the cloak and suit industry and bad estimates of seasonal requirements, resulted in failure of the association. It ceased operations in April, 1939.

A private manufacturer then undertook to finance and conduct operations in the factory. After a short period of operation, this arrangement was terminated because the manufacturer and the workers could not come to an agreement on the wage scale. The Government's mortgage on the machinery in the factory, which had been bought by the homesteaders with their own funds at a cost of approximately \$15,000 was foreclosed. At the public sale, a portion of the equipment was bought by machinery dealers for approximately \$1,200. The remainder was bid in for approximately \$5,800 by the Federal Government, and loan accounts of the association were credited with this amount.

In June, 1940, a hat manufacturer leased the factory and is now operating the plant with homestead labor under a union contract.

In addition to wages received from employment in the factory a number of homesteaders receive cash income from work on the farms and in the store.

Originally the farm was set up as a cooperative and developed with the aid of a \$133,600 loan from the Federal Government. Farming operations were not successful and in July, 1940, the Government foreclosed its mortgage and recovered property valued at approximately fifty per cent of the loan. Since that time the farm has been worked as eight separate units - three poultry and five general farms - by eight of the farmers who formerly worked for the cooperative.

The food store, the only remaining cooperative enterprise in the community, has been steadily expanded. It is operated by the Jersey Homesteads Consumers Cooperative Association. All homesteaders are eligible for membership in this association.

Jersey Homesteads, one of 164 community projects started by other Government agencies and now managed by the Farm Security Administration, is the only project of its kind in the country. It

has been less successful than most of the other community developments. In general, the projects which have been planned as full-time farming enterprises for farm families have succeeded. The problem has been more difficult in planning agricultural-industrial communities for stranded industrial workers. However, even these experiments seem to be working satisfactorily in most cases.

Community Life

The community school, established to meet New Jersey State requirements and governed by a local board of education, has facilities for elementary classes through the eighth grade. High school students are transported by bus to and from the Allentown High School in Allentown, 8 miles distant from the homesteads. The school gymnasium, also used as an auditorium, is available for recreation and community meetings.

Group activities, such as classes, clubs, forums, handicrafts, and out-door activities, are organized in the community for all age groups. Health services may be obtained through a comprehensive hospitalization plan which requires small monthly payments.

Jersey Homesteads is incorporated as a borough under the laws of New Jersey. The governing body, elected by the residents of Jersey Homesteads, consists of a Mayor, Councilmen, Justice of the Peace, Clerk, Assessor, Collector, and Treasurer. Regular local government services such as police and fire protection are provided. The tax rate is set locally, and the residents of the community are required to pay taxes. Taxes for real property are included in the rent and tax payments are used for the maintenance of the school, roads and borough government.

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